

# **GSLOT ENTERTAINMENT LIMITED**



**21<sup>st</sup> Annual Report  
2002-2003**

**BOARD OF DIRECTORS**

MR. DIPAK TANNA  
MR. SURESH GAGGAR  
MR. DEVEN MEHTA  
MS. SEHER BEDI  
MR. SALIM GOVANI

**BANKERS**

UTI BANK LIMITED  
HDFC BANK LIMITED  
CORPORATION BANK

**AUDITORS**

M/S. R. S. AGRAWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
MUMBAI – 400 002

**REGISTERED OFFICE**

28, BOMBAY SAMACHAR MARG,  
3<sup>RD</sup> FLOOR,  
FORT, MUMBAI – 400 023.

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**Gslot Entertainment Limited****NOTICE**

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of **Gslot Entertainment Limited** will be held at the Registered office of the Company at 28, Bombay Samachar Marg, 3<sup>rd</sup> Floor, Fort, Mumbai 400 023 on Friday, the 26<sup>th</sup> September 2003 at 4.00 P.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2003 and Balance Sheet as on that date along with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Dipak Tanna who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Deven Mehta who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 1956 and Clause 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, as may be agreed to by the Board of Directors of the Company ('the Board' which term shall be deemed to include any Committee thereof), consent of the Company be and is hereby accorded to the Board to delist the Equity Shares from the Calcutta Stock Exchange."

"Resolved further that the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares, as it may, in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution."

"Resolved further that the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committees/Directors or any of the Officers of the Company to do all such acts, deeds or things to give effect to the aforesaid resolution."

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books will remain closed from Tuesday, 23<sup>rd</sup> September 2003 to Friday, 26<sup>th</sup> September 2003. (both days inclusive).
3. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item No. 5 is appended hereto

**Additional Information****BRIEF PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT:****1. Mr. Dipak Tanna**

Mr. Dipak Tanna has sound knowledge and experience in various fields. He is on the board of various other companies. Mr. Tanna has deep understanding on corporate structuring, restructuring, amalgamations, mergers etc.

Mr. Dipak Tanna is also director in Clam Constructions Private Limited, Equal Investrade Pvt. Ltd., Gunjar Realty Pvt. Ltd., Hellion Finance & Leasing Limited, Harshid Investments Pvt. Ltd., Kenwood Stockfin Pvt. Ltd., Infocus Investments Pvt. Ltd., Moidore Finance & Leasing Pvt. Ltd., Neried Finance & Leasing Pvt. Ltd., Tanna Agro Impex Private Limited, Pave Investments & Leasing Private Limited, Tanna Builders Private Limited, Tanna Pune Land Developments Private Limited, Tanna Flour Mills Private Limited, Tanna Traders Private Limited, Tanna Homelife Private Limited., Tajima Floorings Private Limited, Tia Constructions Company Private Limited, Zilmil Investrade Private Limited.

Mr. Tanna does not hold any committee memberships in other companies.

**2. Mr. Deven Mehta**

Mr. Deven Mehta has indepth knowledge of capital market. He has sound exposure Investment and Fund Management, Investment & Management consulting, Derivatives, Funds Mobilisation, Working capital arrangement etc.

Mr. Deven Mehta is also Director in Jyoti Bright Bar Limited, Sigma Credit & Capital Fiscal Services Pvt. Ltd., Amgis Holdings Private Limited, Pals Overseas Private Limited, Banzai Steel Private Limited, Senorita Impex Private Limited

Mr. Mehta does not hold any committee memberships in other companies.

**By order of the Board of Directors**

**Dipak Tanna**  
Director

Place : Mumbai

Date : 21<sup>st</sup> August 2003

**Gslot Entertainment Limited**

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item No. 5:**

As the members are aware the shares of the Company are presently listed with the Stock Exchange, Mumbai and the Calcutta Stock exchange. The bulk of the trading of the Company's Equity Shares takes place at the Stock Exchange, Mumbai. It has been observed that the trading in Equity Shares in past few years on the Calcutta Stock Exchange, is rare and negligible and is disproportionate to the listing fees payable by the Company to the Calcutta Stock Exchange. No particular benefit is available to the shareholders by continuing the listing of the Equity Shares on the Calcutta Stock Exchange. The proposed delisting of the Company's Equity Shares on the Calcutta Stock Exchange will not be prejudicial to, or effect the interest of the shareholders. Hence, the company is contemplating the possibility of delisting of its shares from the Calcutta Stock Exchange.

As per the recent Securities and Exchange Board of India (Delisting of Securities) Guidelines – 2003, a relative simplified procedure is required to be followed in case subsequent to the delisting of the shares from one or more Stock Exchange(s) the company continue to be listed at a Stock Exchange having nation wide terminals such as the Stock Exchange, Mumbai or the National Stock Exchange.

It is accordingly proposed to give the authority to the directors to delist the shares of the company from the Calcutta Stock Exchange where trading volume is not large.

The Company's Equity Shares will continue to be listed on the Stock Exchange, Mumbai.

The directors recommend this resolution for approval of shareholders.

None of the Directors of the company is concerned or interested in this resolution,

**By order of the Board of Directors**

**Dipak Tanna**  
Director

Place : Mumbai  
Date : 21<sup>st</sup> August 2003

**DIRECTORS' REPORT**

The Directors have pleasure in presenting the **Twenty First** Annual Report on the operations of the Company together with the audited accounts for the year ended 31<sup>st</sup> March 2003.

**Financial Results :**

Particulars	(Rupees in lacs)	
	Year Ended 31 <sup>st</sup> March 2003	Year Ended 31 <sup>st</sup> March 2002
Total Income	<b>161.83</b>	221.90
Profit/(Loss) before Interest, Depreciation & Taxation	<b>(73.05)</b>	(170.61)
Less : Interest	<b>21.45</b>	1.43
Profit/(Loss) before Depreciation	<b>(94.50)</b>	(172.04)
Less: Depreciation	<b>28.33</b>	28.44
Profit/(Loss) before Tax	<b>(122.83)</b>	(200.48)
Less: Deferred Tax Credit	-	(73.64)
Net Profit/(Loss) after Tax	<b>(122.83)</b>	(126.84)

**Year under review**

The global economic slowdown has also impacted the results of the Company. During the year under review, the revenue from operations has decreased substantially to Rs. 83.47 lacs against Rs. 163.96 lacs in the previous year. However the other income increased to Rs. 78.36 lacs as against the other income of previous year Rs. 57.93 lacs. To reduce the losses, the Company has cut down certain administrative expenses and succeeded in the same keeping the losses before interest, depreciation and taxation to Rs. 73.05 lacs as against Rs. 170.61 lacs in the previous year. After providing for interest and depreciation of Rs. 49.78 lacs, the Company registered a net loss of Rs. 122.83 lacs.

In view of the continuing losses suffered the operational activities i.e. production of TV Promos, Ad Films, Web Designing and Gslot.com, the entertainment portal, has been closed down with effect from 1<sup>st</sup> April 2003. Your Directors are evaluating new business activities as may be profitable and in the interests of the company.

**Dividend**

In view of the loss for the year, your Directors regret their inability to recommend any dividend for the year.

**Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2003 and of the loss of the Company for that year.
- Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- Your Directors have prepared the attached Statement of Accounts for the year ended March 31, 2003 on a going concern basis.

**Galot Entertainment Limited****Directors:**

Mr. Dipak Tanna and Mr. Deven Mehta, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**Corporate Governance and Management Discussion and Analysis**

A report on the Corporate Governance and Management Discussion and Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

**Auditors**

The Auditors M/s. R. S. Agrawal & Associates, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**Auditors' Report**

Observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

**Fixed Deposits**

The Company has not accepted or renewed any deposit from public during the year under review.

**Particulars of Employees**

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum, if employed throughout the year, or Rs. 2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under Section 217 (2A) of the Companies Act, 1956 and the rules made thereunder.

**Delisting of Securities from the Calcutta Stock Exchange**

The shares of the Company are already listed with the Stock Exchange, Mumbai having nationwide trading terminals in addition to the Calcutta Stock Exchange. The volume of trading in the past few years at the Calcutta Stock Exchange, has been marginal and disproportionate to the fees paid to the said stock exchange. As per the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the Company may opt for voluntary delisting of its securities from one or more stock exchanges. In view of above, it is proposed to delist the securities of the company from the Calcutta Stock Exchange.

**Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo****(a) Conservation of Energy, Research & Development and Technology Absorption**

Considering the Company's existing business activities, your Directors have nothing to state in connection with Conservation of Energy, Research & Development and Technology Absorption.

**(b) Foreign Exchange Earnings & Outgo**

The details of expenditure and earnings in foreign currency are given in the Notes to Accounts in Note No. 18 (b) & (c) of Schedule 20 to the Annual Accounts.

**Acknowledgements**

The Directors wish to express their gratitude to the bankers, clients and all the business associates for their continuous support to the Company and to the Shareholders for the confidence reposed in the Company's management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

**For and on behalf of the Board**

**Dipak Tanna**  
Director

**Suresh Gagger**  
Director

Place : Mumbai

Date : 21<sup>st</sup> August 2003

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Structure and Developments**

The global economic slowdown impacted the Indian industry, causing most organizations to go for IT budget cuts and freezes on new IT purchases. The slow down in the infotech industry had severely hit the portal business. The Company's entertainment portal Gslot.com was no exception. New entrants in the Media industry had forced the small players either to shut down or operate at losses.

### **Opportunities and Threats**

Though the Infotech and the media industry did provide potentials, your Company realized that the cake was always meant for the big players. Continuing losses had forced the company to shut down its operational activities related to the said sectors.

### **Outlook**

Your Company is evaluating all possibilities of venturing into new business activities with untapped potentials.

### **Internal control systems and their adequacy**

Gslot's internal control systems as well as procedures adequately commensurate with the magnitude of its current business. The operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The internal control system is being further strengthened by laying out well-documented guidelines, approval and authorization procedures.

### **Human Resources**

In today's competitive world where creativity and innovation are increasingly becoming important, development of Human resources is the call of the day. Your Company is taking various steps to develop the skills and enhance the knowledge of its Human Resource.



**Gslot Entertainment Limited****CORPORATE GOVERNANCE**

Gslot Entertainment Limited (Gslot) is committed to good corporate governance. The Company in its annual report provides detailed information on various issues concerning the Company's business and financial performance. The Company respects the inalienable rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders.

**A. Board of Directors****1. Size and composition of the board**

Presently, majority of the Board of Gslot consists of Non-executive/independent directors, having rich and varied experience.

The constitution of the Board as on 31<sup>st</sup> March 2003 is as given below :

Director	Executive/Non-Executive/ Independent*	No. of other Directorships**	Membership Chairmanship In other public companies	
			Chairman	Member
Mr. Dipak Tanna	Non-Executive, Independent	1	Nil	Nil
Mr. Suresh Gaggar	Non-Executive, Independent	Nil	Nil	Nil
Ms. Seher Bedi	Executive	Nil	Nil	Nil
Mr. Deven Mehta	Non-Executive, Independent	1	Nil	Nil
Mr. Salim Govani	Non-Executive, Independent	Nil	Nil	Nil

\* Independent Directors means a director who apart from receiving directors remuneration, does not have any material pecuniary relationship or transactions with the Company, its promoters or its management or its subsidiaries, which is in the judgement of the Board may affect their independence of judgement.

\*\* Other Directorships exclude directorships held in Private Limited Companies.

**2. Cash Compensation to the Directors for the financial year ended 31<sup>st</sup> March 2003**

Details of the remuneration paid to the directors during the year are as under :

(Amount in Rs.)

Director	Salary and Perquisites*	Performance Incentive/bonus	Commission	Total
Ms. Seher Bedi	1240009	Nil	Nil	1240009

\* including the PF contribution by the Company

**B. Board Meetings****1. Scheduling and selection of agenda items for board meetings**

The Board meetings are generally held at the registered office of the Company. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the directors. Every Board member is free to suggest the inclusion of items on the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. When necessary, additional meetings are held.

There were six board meetings held during the year ended March 31, 2003. These were on 3<sup>rd</sup> June 2002, 29<sup>th</sup> June 2002, 31<sup>st</sup> July 2002, 28<sup>th</sup> September 2002, 31<sup>st</sup> October 2002 and 31<sup>st</sup> January 2003. Table hereunder gives the attendance record of the directors.

Name of the directors	Number of Board Meetings attended	Whether attended last AGM
Mr. Dipak Tanna	6	Yes
Mr. Suresh Gaggar	6	Yes
Ms. Seher Bedi	4	Yes
Mr. Deven Mehta	5	No
Mr. Salim Govani	3	No

## 2. Availability of information to the members of the board

The Board has unfettered and complete access to any information within the Company. At meetings of the board, it welcomes the presence of manager and finance heads who can provide additional insights into the items being discussed.

The information as may be applicable which is regularly supplied to the board includes :

- Operating Plans, budgets
- Quarterly results of the company.
- Information on recruitment and remuneration of senior officers just below the board level
- Minutes of the meetings of the audit committee as well as abstracts of the circular resolutions passed.
- Fatal or serious accidents or dangerous occurrences
- General notices of interest.
- Significant development on the human resources front
- Details of dangerous occurrences and effective steps taken thereof.
- Details of deployment of surplus funds available with the Company.
- New projects
- Business contracts entered

## 3. Materially significant related party transactions

Details of the Related Party transactions for the year ended 31<sup>st</sup> March 2003 have been disclosed in Note No. 14 of Schedule 20 to the accounts. However, there have been no materially relevant related party transactions for the year ended March 31, 2003 which have potential conflict with the interests of the Company at large.

## C. Board Committees

Currently, the Board has three committees – the Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee. The Audit Committee comprises of 3 members all of whom are non-executive independent directors. The Shareholders/Investor grievance committee comprises of 3 Members. The Chairman of the said committee is a non-executive, independent director.

The Board is responsible for the constitution, co-opting and fixing the terms of service for committee members to various committees.